SUPPLY CHAIN MANAGEMENT POLICY

PROCUREMENT OF GOODS AND SERVICES

2019/2020

Preface

The National Treasury in 2004 issued the Supply Chain Management Regulation which gave rise to the supply chain management model policy for adoption by municipalities and municipal entities in terms of section 111 of the Municipal Finance Management Act, No 56 of 2003. The model policy prescribes the minimum requirements and principles which municipalities and municipal entities must adhere to for their supply chain management systems. The above mentioned policy was issued principally for the acquisition of goods and services.

In October 2015 via NT circular 77, the National Treasury issued a Supply Chain Management Model Policy for Infrastructure Procurement and Delivery Management, in terms of Section 168 of the Municipal Finance Management Act of 2003 (Act 56 of 2003) in reference to SCM Regulation 3(2), this model policy prescribes the standards and gateways system requirements and principles which municipalities and municipal entities must adhere to when procuring infrastructure related services linking to CIDB and ISO standards and ethos, therefore the model policy for infrastructure Delivery and procurement serves as a conduit for the alignment between CIDB Act and supply chain management systems.

The new Preferential Procurement Regulations were promulgated in January 2017 and prescribes pre-qualification criteria for preferential procurement, tenders to be evaluated for functionality and the preference point system.

To this end the Matzikama Municipality adopts a supply chain management policy framework consisting of two sections.

Section 1 is the Supply Chain Management Policy for goods and services, which will be used for procurement of goods and services, non- infrastructure related.

Section 2 is the Supply Chain Management Policy for infrastructure, which will be used for all infrastructure related procurement and services.

Matzikama Municipality resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of the Matzikama Municipality

Contents

1. **Definitions** 6
2. **Supply chain management policy** 12
3. **Amendment of the supply chain management policy** 12
4. **Delegation of supply chain management powers and duties** 13
5. **Sub-delegations** 13
6. **Oversight role of Council** 14
7. **Supply chain management unit** 15
8. **Training of supply chain management officials** 15
9. **Format of supply chain management system** 15
10. **System of demand management** 15
11. **System of acquisition management** 16
12. **Range of procurement processes** 17
13. **General preconditions for consideration of written quotations or bids** 17
14. **Lists of accredited prospective providers / Central Supplier Database** 18
15. **Direct Procurement** 19
16. **Written or verbal quotations** 19
17. **Formal written price quotations** 20
18. **Procedures for procuring goods or services through informal written quotations and formal written price quotations** 20
19. **Competitive bids** 21
20. **Process for competitive bidding** 21
21. **Bid documentation for competitive bids** 21
22. **Public invitation for competitive bids** 23
23. **Procedure for handling, opening and recording of bids** 24
24. **Negotiations with preferred bidders** 26
25. **Two-stage (Prequalification) bidding process vs. Two Envelope System** 26

26. Committee system for competitive bids 27
27. Bid specification committees 27
28. Bid evaluation committees 28
29. Bid adjudication committees 30
30. Procurement of banking services 32
31. Procurement of IT related goods or services 32
32. Procurement of goods and services under contracts secured by other organs of state 33
33. Procurement of goods necessitating special safety arrangements 33
34. Proudly SA Campaign 33
35. Appointment of consultants 34
36. Deviation from, and ratification of minor breaches of, procurement processes 34
37. Unsolicited bids 35
38. Combating of abuse of supply chain management system 36
39. Logistics management 38
40. Disposal management 38
41. Risk management 39
42. Performance Monitoring 39
43. Ethical standards 39
44. Inducements, rewards, gifts and favours to municipalities, officials and other role players 41
45. Sponsorships 41
46. Objections and complaints 41
47. Resolution of disputes, objections, complaints and queries 41
48. Contracts providing for compensation based on turnover 42
49. Contracts Having Budgetary Implications beyond Three Financial Years 42
50. Contract Administration 42
51. Performance Management 44
52. Management of expansion or variation of orders against the original contract 44

53. Approval, review and implementation 45

ANNEXURE A: CODE OF CONDUCT FOR SCM ROLE PLAYERS AND OTHER ROLE PLAYERS 46

ANNEXURE B: CODE OF CONDUCT FOR COUNCILLORS (MUNICIPAL SYSTEMS ACT) 49

ANNEXURE C: CODE OF CONDUCT FOR MUNICIPAL STAFF MEMBERS 56

1. Definitions

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

"Award points": means the points referred to in the Preferential Procurement Regulations, 2017 and the Preferential Procurement section of this policy, also referred to as "evaluation points".

"All applicable taxes": includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

"Annual Bid / Term Bid": means a rates based bid for the supply of goods, services or construction works, which are of an ad-hoc or repetitive nature where the individual rates are approved for use over a predetermined period of time.

"Asset": means a tangible or intangible resource capable of ownership.

"B-BBEE": means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act.

"B-BBEE Status Level of Contributor": means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act.

"Broad-Based Black Economic Empowerment Act": means the Broad-Based Black Economic Empowerment Act, 53 of 2003 and Codes of Good Practice pertaining thereto.

"Bidder": means any person submitting a bid.

"Capital Asset": means:

i) any immovable asset such as land, property or buildings; or

ii) any movable asset that can be used continuously or repeatedly for more than one year in the production or supply of goods or services, for rental to others or for administrative purposes, and from which future benefit can be derived, such as plant, machinery and equipment.

"Central Supplier Database": means a single database that serves as the source of all supplier information for all spheres of government.

"Closing Time": means the time and day specified in the bid documents for the receipt of bids.

"Comparative Price": means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration.

"Competitive bidding process" means a competitive bidding process referred to in paragraph 12 (1)(d) of this Policy;

“Competitive bid” means a bid in terms of a competitive bidding process;

“Construction Industry Development Board (CIDB) Act”: means the Construction Industry Development Board Act, 38 of 2000 and includes the regulations pertaining thereto.

“Construction Works” in terms of the CIDB Regulations: means any work in connection with:

(a) the erection, maintenance, alteration, renovation, repair, demolition or dismantling of or addition to a building or any similar structure;
(b) the installation, erection, dismantling or maintenance of a fixed plant;
(c) the construction, maintenance, demolition or dismantling of any bridge, dam, canal, road, railway, sewer or water reticulation system or any similar civil engineering structure; or
(d) the moving of earth, clearing of land, the making of an excavation, piling or any similar type of work.

“Consultant”: means a person or entity providing services requiring knowledge based expertise, and includes professional service providers.

“Contract”: means the agreement which is concluded when the Matzikama Municipality accepts, in writing, a bid or quote submitted by a provider.

“Contractor”: means any person or entity whose bid or quote has been accepted by Matzikama Municipality.

“Contract manager”: means a line manager or budget cost centre manager or officials in the Project Management Unit with delegated authority.

“Day(s)”: means working days unless the context indicates otherwise.

“Delegated Authority”: means any person or committee delegated with authority by Matzikama Municipality in terms of the provisions of the Municipal Finance Management Act.

“Designated sector”: means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content.

“Emergency dispensation” means emergency as referred to in paragraph 36(a)(i)

(a) the conditions warranting Emergency dispensation should include the existence of one or more of the following:
    i) the possibility of human injury or death;
    ii) the prevalence of human suffering or deprivation of rights;
    iii) the possibility of damage to property, or suffering and death of livestock and animals;
(b) the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the Municipality as a whole;
(c) the possibility of serious damage occurring to the natural environment;
(d) the possibility that failure to take necessary action may result in the Municipality not being

able to render an essential community service; and

(e) the possibility that the security of the state could be compromised.

(f) the prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal procurement process. Emergency dispensation shall not be granted in respect of circumstances other than those contemplated above.

“ePortal”: means an electronic web portal is one specially designed web site that brings information together from diverse sources in a uniform way. The electronic portal is administrated by National Treasury and will be used to advertise bids, publish opening results of bids and awards.

“Evaluation of Bids”: in respect of bids that exceed R200 000, shall be deemed to take place when the Bid Evaluation Committee meets to make a recommendation to the Bid Adjudication Committee.

“Evaluation Points”: also referred to as “award points.

“Exempted Capital Asset”: means a municipal capital asset which is exempted by section 14(6) or 90(6) of the MFMA from the other provisions of that section.

“Final award”, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

“Firm Price”: means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract.

“Formal written price quotation” means quotations referred to in paragraph 12(1) of this Policy;

“Functionality”: means the measurement according to predetermined norms, as set out in the bid or quotation documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder.
“Functionality” is also referred to as “Quality”.

“Imported Content”: means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its sub-contractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs, such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African port or entry.

“In the service of the state” means to be –

(a) a member of –
  (i) any municipal Council;
  (ii) any provincial legislature; or
  (iii) The National Assembly or the National Council of Provinces;

(b) a member of the board of directors of any municipal entity;
(c) an official of any municipality or municipal entity;
(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
(e) an executive member of the accounting authority of any national or provincial public entity; or
(f) an employee of Parliament or a provincial legislature;

"Joint Venture or Consortium": means an association of persons formed for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract or contracts. The Joint Venture must be formalised by agreement between the parties.

"Local Content": means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place.

"Long term contract": means a contract with a duration period exceeding one year where the amount is less than R200 000. This means that a competitive bidding process must still be followed irrespective of the amount of the procurement;

"Long term nature": means a contract that exceeds the duration of three years and Section 33 of the MFMA is applicable;

"List of accredited prospective providers" means the list of accredited prospective providers that is registered on the CSD

"Obtain" means to come into possession of; get, acquire, or procure, as through an effort or by a request;

"Other applicable legislation" means any other legislation applicable to municipal supply chain management, including –
(a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
(b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
(c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);
(d) Value Added Tax Act, 1991 (Act 89 of 1991);
(e) Promotion of Access to Information Act (PAIA), 2000 (Act 2 of 2000);
(f) Public Protector Act, 1994 (Act 23 of 1994);
(g) Public Office Bearers Act, 1998 (Act 20 of 1998);
(h) State Information Technology Agency Act (SITA), 1998 (Act 88 of 1998);
(i) Competition Act (CA), 1998 (Act 89 of 1998);

"Plight of the poor" means the plight of a group of people or a section of a community where the majority of the households in a specific area qualify as indigent or poor in terms of the Municipality Consumer Care, Credit Control and Debt Collection Policy.

"Policy": means this Supply Chain Management Policy as amended as prescribed in Municipal

Supply Chain Management Regulations.

“Preference points”: mean the points for preference referred to in this Policy.

“Preferential Procurement Policy Framework Act” (PPPFA): means the Preferential Procurement Policy Framework Act, 5 of 2017.

“Preferential Procurement Regulations”: means the regulations pertaining to the PPPFA.

“Prime Contractor”: shall have the same meaning as “Contractor”

“Promotion of Administrative Justice Act”: means the Promotion of Administrative Justice Act, 3 of 2000.

“Quality”: also referred to as “Functionality”

“Rand Value”: means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties.

“Ratification of minor breaches of the procurement process”: means the authority that the accounting officer has in terms of regulation 36(1)(b) of the Municipal Supply Chain Management Regulations to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely technical in nature. In this instance the accounting officer can only rely on this provision if the official or committee who committed the breach had the delegated authority to perform the function in terms of the municipality’s adopted
System of Delegations, which must be consistent with the MFMA and its regulations.

“Republic”: means the Republic of South Africa.

“Responsible Agent”: means either an internal project manager (being an employee of the Municipality) or an external consultant (appointed by the Municipality), as the case may be, who is responsible for the implementation of a project or part thereof.

“SARS”: means the South African Revenue Services.

“Sole providers” can be broadly defined as manufacturers, licence holders, publishers, intellectual property holders or service providers appointed by a sole provider as their sole agent or distributor in a specific area;

“Stipulated Minimum Threshold”: means that portion of local production and content as determined by the Department of Trade and Industry.

“Sub-contractor”: means any person or entity that is employed, assigned, leased or contracted by the prime contractor to carry out work in support of the prime contractor in the execution of a contract.

“Supplier”: is a generic term which may include suppliers of goods and services, contractors and/or consultants.

“Systems Act”: means the Local Government: Municipal Systems Act, 32 of 2000.

“Technical nature” refers to a breach by a delegated official in terms of Regulation 36(1)(b) that has occurred in contravention with the adopted Supply Chain Management Policy due to a non-deliberate or unintentional oversight.

“Tender/Tenderer”: means “bid/bidder” in the context of construction works procurement.

“Transaction Value”: means the actual contract value (the bid sum or price) in South African currency, inclusive of all applicable taxes in respect of the goods, services or construction works that are contracted for.

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

“the Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“the Regulations” means the Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

“Trust”: means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.

“Trustee”: means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

“Unsolicited Bid”: means an offer submitted by any person at its own initiative without having been invited by the Matzikama Municipality to do so.

“Written quotations” means quotations referred to in paragraph 12(1) of this Policy.

Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include females and words importing persons shall include companies, closed corporations and firms, unless the context clearly indicates otherwise.

All amounts/limits stated in this document shall be deemed to be inclusive of Value Added Tax (VAT).

CHAPTER 1

IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY

2. Supply chain management policy

1) All officials and other role players in the supply chain management system of the Matzikama Municipality must implement this Policy in a way that –
   a) gives effect to –
      i) section 217 of the Constitution; and
      ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
   b) is fair, equitable, transparent, competitive and cost effective;
   c) complies with –
      i) the Regulations; and
      ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
   d) is consistent with other applicable legislation;
   e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
   f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

2) This Policy applies when the Matzikama Municipality
   a) procures goods or services;
   b) disposes goods no longer needed;
   c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
   d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

3) This Policy, except where provided otherwise, does not apply in respect of:
   a) the procurement of goods and services contemplated in section 110(2) of the Act, including –
      i) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
      ii) electricity from Eskom or another public entity, another municipality or a municipal entity.

3. Amendment of the supply chain management policy

1) The accounting officer must –
   a) review annually the implementation of this Policy; and
   b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the Matzikama Council.

2) If the accounting officer submits proposed amendments to the Matzikama Council that differs from the model policy issued by the National Treasury, the accounting officer must -

(a) ensure that such proposed amendments comply with the Regulations; and

(b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.

3) When amending this supply chain management policy, the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

4) The accounting officer will in terms of section 62(1)(f)(iv) of the Act take all reasonable steps to ensure that the municipality implements this Policy.

4. Delegation of supply chain management powers and duties

1) The Matzikama Council hereby delegates allpowers and duties to the accounting officer, which are necessary to enable the accounting officer –

a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –

i) Chapter 8 or 10 of the Act; and

ii) this Policy (SCM Policy);

b) to maximize administrative and operational efficiency in the implementation of this Policy;

c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and

d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

2) Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).

3) The accounting officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of Matzikama Municipality or to a committee, which is not exclusively composed of officials of the Matzikama Municipality.

4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5. Sub-delegations

1) The accounting officer may in terms of section 79 or 106 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub-delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy**.**

2) The power to make a final award –
   a) above R10 million (VAT included) may not be sub-delegated by the accounting officer;
   b) above R200,000.00 (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated but only to –
      i) a bid adjudication committee of which the chief financial officer or a senior manager is a member;

3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including–
   a) the amount of the award;
   b) the name of the person to whom the award was made; and
   c) the reason why the award was made to that person.

4) A written report referred to in subparagraph (3) must be submitted –
   a) to the accounting officer, in the case of an award by –
      i) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or
   b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –
      i) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.

5) Subparagraphs (3) and (4) of this policy do not apply to procurements below R2, 000.

6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

6. Oversight role of Council

1) The Matzikama Council reserves its right to maintain oversight over the implementation of this Policy.

2) For the purposes of such oversight the accounting officer must –
   a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the Council of the municipality; and
   b) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to Council.
3) The accounting officer must, within 10 days of the end of each quarter, submit a Service Delivery Budget Implementation Plan report on the implementation of the supply chain

management policy to the mayor.

4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

7. Supply chain management unit

1) Matzikama Municipality has a Supply Chain Management Unit to assist the accounting officer to implement this Policy.

2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

8. Training of supply chain management officials

1) The accounting officer shall ensure that all persons involved in the implementation of this Policy meet the prescribed competency levels, and where necessary, shall provide training.

2) The training of officials involved in implementing this Policy shall be in accordance with Municipal Regulations on Minimum Competency Levels, 2007 Treasury guidelines on supply chain management training.

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

9. Format of supply chain management system

1) This Policy provides systems for –
   a) demand management;
   b) acquisition management;
   c) logistics management;
   d) disposal management;
   e) risk management; and
   f) performance management.

Part 1: Demand management

10. System of demand management

1) Demand management shall translate the municipal Integrated Development Plan and Service Delivery Budget Implementation Plan into current and future needs in order to cost and budget for it.

2) The demand management system must –
   a) include timely planning and management processes to ensure that all goods and services required by Matzikama Municipality are quantified, budgeted for and timely and effectively

delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;

b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;
c) provide for the compilation of the required specifications to ensure that its needs are met;
d) to undertake appropriate industry analysis;
e) and research to ensure that innovations and technological benefits are maximized.

3) Major Activities in Demand Management
   a) Demand management lies at the beginning of the supply chain and the major activities associated with identifying demand are:
      i) establishing requirements;
      ii) determining needs; and
      iii) deciding on appropriate procurement strategies.

   b) Demand management accordingly shall involve the following activities in co-operation with all Directorates:
      i) understanding the future needs;
      ii) identifying critical delivery dates;
      iii) identifying the frequency of the need;
      iv) linking the requirement to the budget; and
      v) compilation of a procurement (bid) plan aligned with the above for which the Directorates will take responsibility by submitting their bids according to the bid plan to ensure effective and sufficient service delivery.

Part 2: Acquisition management

11. System of acquisition management

1) The accounting officer must implement the system of acquisition management set out in this Part in order to ensure –
   a) that goods and services, including construction works and consultant services are procured by Matzikama Municipality in accordance with authorised processes only;
   b) that expenditure on goods and services, including construction works and consultant services, is incurred in terms of an approved budget in terms of section 15 of the Act;
   c) that the threshold values for the different procurement processes are complied with;
   d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with requirements of relevant legislation including, the Preferential Procurement Policy Framework Act, and any conditions of the Construction Industry Development Board Act; and
   e) that any Treasury guidelines on acquisition management are properly taken into account.

2) When procuring goods or services contemplated in section 110(2) of the Act (including water and electricity), the accounting officer must make public the fact that such goods or services are procured otherwise than through the Matzikama Municipality supply chain management system, including -
   a) the kind of goods or services; and

b) the name of the supplier.

12. Range of procurement processes

1) Goods or service may only be procured by way of –

Value of Purchase including VAT	**Range of Procurement Processes**
R0 – R2000	One informal price quotation (CSD is not applicable to procurement below R2000)
R2 001 – R30 000	Three formal written price quotations
R30 001 – R200 000	At least 3 formal written price quotations, a tax clearance certificate and advertise for 7 days on the Council's website and all official notice boards
R200 000 – R10million	A competitive bidding process advertised for 14 days on Council's website and notice boards and advertises for 14 days in local newspaper and e-Portal. **Please note:** If the responsible official or members of the Bid Specifications Committee is of the opinion that a tender might exceed R10million notwithstanding the fact that the cost estimate is below R10m, the prescribed process for bids above R10million must be followed.
Above R10million	A competitive bidding process, advertised for 30 days on Council's website and notice boards and advertise for 30 days in local newspaper and e-Portal
Term Contracts	A competitive bidding process will be followed for the supply of goods and services or construction works that is of an adhoc or repetitive nature for a predetermined period of time not exceeding 3 years. Section 33 of the MFMA will be applicable if the period exceeds 3 years.

2) The accounting officer may, in writing-
   a) lower, but not increase, the different threshold values specified in subparagraph 12(1); or
   b) direct that –
      i) written quotations are obtained for any specific procurement of a transaction value lower than R2 000;
      ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R 30 000; or
      iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R 200 000.

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3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

13. General preconditions for consideration of written quotations or bids

A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

a) has furnished that provider's –
   i) full name;
   ii) identification number or company or other registration number; and
   iii) tax reference number and VAT registration number, if any;
b) has authorized Matzikama Municipality to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and
c) has indicated –
   i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
   ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
   iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.
d) Prohibition on awards to persons whose tax matters are not in order (Previously Regulation 43).
   i) No award above R30 000 may be made in terms of this policy to a person whose tax matters has not been
   ii) declared by the South African Revenue Service to be in order.
   iii) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.
   iv) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.
e) Prohibition on awards to persons in the service of the state (previously regulation 44). Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –
   i) who is in the service of the state;
   ii) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
   iii) a person who is an advisor or consultant contracted with the Matzikama Municipality.
f) Awards to close family members of persons in the service of the state.

   The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R 2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –
   i) the name of that person;
   ii) the capacity in which that person is in the service of the state; and
   iii) the amount of the award.

14. Lists of accredited prospective providers / Central Supplier Database

1) The Central Supplier Database is utilised by the municipality to verify the following information:
   a) Business registration; including details of directorship and membership;
   b) Bank account holder information;
   c) In service of the state status (Persal);

d) Tax compliance status;
e) Identity numbers;
f) B-BBEE status level;
g) Tender defaulting and restriction status.

Additional information (BEE, persons in service of the state for municipalities, municipal entities and public entities) is verified against the CSD when implementation is finalised.

2) The accounting officer must –
   a) utilise the Central Suppliers Database (list of accredited prospective providers) of goods and services to procure through written quotations and formal written price quotations; and
   b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
3) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
4) The list must be compiled per commodity and per type of service.

15. Direct Procurement

1) Goods and services up to a value of R2, 000 may be procured directly from service providers.
2) Orders will be issued for transactions between R0 and R2 000 in terms of Clause 12.

16. Written or verbal quotations

The requirements of the procurement of goods or services through informal written quotations are –

1) Range: R0 – R2000
   a) Only one verbal or informal written quotation has to be obtained when procuring goods or services between R0 and R2 000.

2) Range: R2001 – R30 000
   a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the Central Supplier Database, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria if applicable to the relevant range of procurement in the supply chain management policy required by 14(1) of this policy;
   b) All quotations must be submitted in writing;
   c) If it is not possible to obtain at least three quotations, **the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer;**

   Transactions that falls within the ambit of this relevant clause are not treated as a deviation as envisaged by section 36(1)(a). The following are scenarios of not being in a position to obtain three written or verbal quotes:
   (i) In the event of any contract relating to the publication of official and legal notices and advertisements in the media by or on behalf of Matzikama Municipality, no requirement that a competitive bidding process must be followed, disciplinary hearings, training events,

courses, seminars, membership fees, Doctors, medical specialists, travelling, accommodation, subscriptions, tow-in services, service agents, franking machine postage library books, the use of couriers for official documents/parcels and the appointment of sheriffs of the court for the issue of judicial summons, judgements and warrants.
(ii) In the event of strip and quote transactions or ad-hoc repairs to plant, equipment and machinery where it is not possible to ascertain the nature or extent of the work required in order to call for quotations; and where it is required that work must be performed by an authorised agent or manufacturer. Approval of such transactions is subject to approval by a duly authorised signature on a requisition from Directors or a manager designated by the respective Director. If possible the rotation basis must be applied.

d) The names of the potential providers requested to provide such quotations with their quoted prices must be recorded; and
e) If a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

17. Formal written price quotations

The requirements of the procurement of goods or services through formal written quotations are –

1) Range: R30 001 – R200 000
   a) Quotations must be obtained in writing from at least three different service providers who are registered as compliant on the CSD.
   b) If it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer.
   c) A designated official referred to in subparagraph (1)(b) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

18. Procedures for procuring goods or services through informal written quotations and formal written price quotations

The procedure for the procurement of goods or services through informal written or formal written price quotations, is as follows: -

1) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the Matzikama Municipality;
2) when using the list of accredited prospective providers, the accounting officer must promote on-going competition amongst providers by inviting providers to submit quotations on a rotation basis;
3) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
4) the accounting officer or chief financial officer must on a monthly basis be notified in writing of all informal written quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;
5) offers below R30 000 (VAT included) must be awarded based on compliance to specification and conditions of contract, ability and capability to deliver the goods and services and lowest price;
6) acceptable offers, which are subject to the preference points system (PPPFA and associated

regulations), must be awarded to the bidder who scored the highest points;
7) Matzikama Municipality will maintain a proper record keeping system; and
8) will put measures in place to ensure that the procurement of goods and services through written quotations or formal written quotations is not abused.

19. Competitive bids

1) Goods or services, construction works, or consultant services above a transaction value of R 200 000 (VAT included) and any contract exceeding one year (long term contracts) must only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.
2) No requirement for goods or services, construction works, or consultant services above an estimated transaction value of R 200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

20. Process for competitive bidding

1) The procedures for the following stages of a competitive bidding process are as follows: -
   a) Compilation of bidding documentation as detailed in paragraph 21;
   b) Public invitation of bids as detailed in paragraph 22;
   c) Site meetings or briefing sessions as detailed in paragraph 22;
   d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;
   e) Evaluation of bids as detailed in paragraph 28;
   f) Award of contracts as detailed in paragraph 29;
   g) Administration of contracts;
   h) After approval of a bid, the accounting officer and the bidder must enter into a written agreement;
   i) Proper record keeping
   j) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

21. Bid documentation for competitive bids

The criteria to which bid documentation for a competitive bidding process must comply, must –
1) clearly indicate –
   a) the general conditions of contract and any special conditions of contract, if specified;
   b) specifications, criteria for evaluation and adjudication procedure to be followed where applicable, and include where in exceptional circumstances, site meetings/inspections are compulsory;
   c) general conditions in terms of Regulation 13;
   d) any Treasury guidelines on bid documentation;
   e) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure are as follows;
      i) the verification of contractor registration and grading on the CIDB website;
      ii) utilization of contractors registered with CIDB;
      iii) ensuring that the prescribed CIDB uniformity standard bid documents for construction related are utilized;

iv) assessing bidders' document against the prescribed CIDB contractor requirements;
v) registration of every project approved by the relevant department, consisting of construction works contract with the CIDB;
vi) advertising of construction contracts on the CIDB i-Tender system by the relevant department;
vii) issuing of dates in respect of completion certificates, renewals, terminations, or cancellations, the settlement of all amounts owing to contractors in accordance with contracts and the submission of status reports to the CIDB;
viii) the placing of registered contractors or any principals of that contractor under any restriction to participate in public procurement as contemplated in the CIDB Regulations;
ix) failure to comply with the CIDB regulations;
x) construction contracts arranged by consultants to adhere all of the abovementioned requirements and CIDB Regulations. Consultants remuneration is aligned to the CIDB's guidance;
xi) consultants providing consulting services for construction related contracts and any of their affiliates to be disqualified from subsequently providing goods or works or services related to the project; and
xii) sub-contracting arrangement and joint venture initiatives to be aligned to CIDB guidelines and requirements.

f) include the preference points system to be used, goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation.
g) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted.
h) the period for which bids are to remain valid and binding must be indicated in the bid documents.
i) an appropriate contract and/or delivery period must be specified for all contracts.
j) unless otherwise indicated in the bid documents, Matzikama Municipality will not be liable for any expenses incurred in the preparation and / or submission of a bid.
k) stipulate that disputes must be settled by means of mutual consultation, mediation, adjudication (with or without legal representation), or, when unsuccessful, in a South African court of law.
l) a provision for the termination of the contract in the case of non- or under-performance and objections and complaints must be included in the bid documentation. Refer to section 46 of SCM policy.
m) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–

i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
ii) for the past three years; or since their establishment if established during the past three years;
iii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
iv) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
v) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and

n) Bid documentation must state that Matzikama Municipality shall not be obliged to accept the

lowest bid, any alternative or any bid. In other words, Council reserves the right not to award any tender or quotation.

o) Alternative Bids:

i) Bid documentation may state that alternative bids can be submitted provided that a bid free of qualifications and strictly in accordance with the bid documents is also submitted.

ii) An alternative bid shall be submitted on a separate complete set of bid documents and shall be clearly marked “Alternative Bid” to distinguish it from the unqualified bid referred to above.

iii) Bid documentation shall state that Matzikama Municipality will not be bound to consider alternative bids.

iv) Bid documents must stipulate that the responsibility for registration and verification on the Central Supplier Database rests solely with the bidder.

22. **Public invitation for competitive bids**

1) The procedure for the invitation of competitive bids is as follows:
   a) Any invitation to prospective providers to submit bids must be by means of a public advertisement on the ePortal and in the newspapers commonly circulating locally, the website of the Matzikama Municipality and on the official notice boards or any other appropriate ways; and
   b) the information contained in a public advertisement or notice, must include –
      i) the title of the proposed contract and the bid or contract reference number;
      ii) the closing date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, a minimum of 14 days in any other case, from the date on which the advertisement is placed on the ePortal and in a newspaper, subject to subparagraph (2) of this policy (specific closing date and time for submission of bids);
      iii) bids must only be submitted on the bid documentation provided by the Matzikama Municipality;
      iv) the required CIDB contractor grading for construction work;
      v) date, time and venue of any proposed site meetings or briefing sessions *(incl time when meeting will commence – if bidder arrives afterwards his bid will not be considered)***;**
      vi) the place where the bid documentation is available for collection;
      vii) the bid notice may require payment of a non - refundable deposit by bidders wanting to collect bid documents;
      viii) this deposit shall be determined by the Municipality’s Council tariffs from time to time; and
      ix) the place where bids must be submitted.

2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process. The monetary value and the complexity of the bid must be taken into account.

   a) Amendments before the closing date

i) The municipality is entitled to amend any bid condition, validity period, specifications or plan provided that such amendments are advertised on the ePortal and website and or that all bidders to whom bid documents have been issued, are advised in writing per email of fax of such amendments.

b) Shortening of Closing dates (Period shorter than 2 weeks but not less than 5 working days)

i) The department must identify potential bidders, and where practical, post the bid documents, otherwise telephonically advise bidders to collect bid documents and inform them of the shortened bid process.

c) Extension of Closing dates (usually where complaints are received or where there was an error in the documents)

i) Bidders who had already collected bid documents must be informed of such extension.

ii) New bid documentation that has not been collected yet, must bear a note informing the bidders of the extension

iii) If bids or quotations were already received, the bids or quotations will retain unopened in the bidding box and be duly considered after the expiry of the extended period, unless the bidder cancels it by submitting a later dated bid or quotation before the extended closing date.

d) Bids submitted must be sealed on which it clearly stated that such envelope contains a bid and the contract title and contract or bid reference number for which the bid is being submitted.

3) All bids must be submitted in a sealed envelope.

23. Procedure for handling, opening and recording of bids

1) The procedures for the handling, opening and recording of bids, are as follows: -

a) Opening of Bids, –

i) at the specified closing time on the closing date the applicable bid box shall be closed.

ii) the bid box shall be opened in public as soon as practical after the closing time. bids received after the closing time should not be considered and returned unopened immediately.

iii) bids found to be inadvertently placed in the incorrect bid box will be redirected provided that the applicable bids either closed on the same day at the same time, or are still open (in which case the Municipality disclaims any responsibility for seeing that the bids are in fact lodged in the correct bid box).

iv) immediately after the opening of the bid box, all bids shall be opened in public and checked for compliance.

v) the official opening the bids shall in all cases read out the name of the bidder and, if practical, the amount of the bid.

vi) as soon as a bid or technical proposal has been opened the bid/proposal shall be stamped with the official stamps, and endorsed with the opening official's signature,

vii) where prices have not been inserted in all relevant space on the form and such items have not been deleted by bidders, such spaces shall be stamped "no price" and initial next to the stamp by the employee opening the bids;

viii) the name of the bidder, and where possible, the bid sum shall be recorded in a bid opening record kept for that purpose, and

ix) the responsible official who opened the bid shall forthwith place his/her signature on the

bid opening record and shall ensure that the bid opening record, the bid prices and BEE status, where applicable, are made available for public inspection and are published on the Municipality's official website.

b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
d) The accounting officer must –
   i) record in a register all bids received in time;
   ii) make the register available for public inspection;
   iii) publish the entries in the register and the bid results on the website.

e) The bidder shall choose a domcilium citandi et executandi in the Republic and unless notice of the change thereof has duly been given in writing, it shall be the address stated in the bid.
f) Site inspections (site meeting) or clarification meeting, -
   i) Site inspections or clarification meetings, where applicable, will be compulsory.
   ii) If site inspections or clarification meetings are to be held, full details must be included in the bid notice and it must be stated whether the inspection is compulsory or not (incl time when meeting will commence – if bidder arrives afterwards his bid will not be considered). No grace period will be allowed.
g) Where site inspections or clarification meetings are compulsory, the date, time and venue for the site inspection shall take place as determined by the department after the bid has been advertised and a certificate of attendance signed by the responsible agent must be submitted with the bid.
h) Validity Periods
   i) The validity period will be calculated from the bid closure date and bids shall remain in force and binding for a period determined by the Bid Specification Committee aligned with the type of goods or services procured.
   ii) Extension of Validity period-
   iii) Extensions must be done prior to the expiry date of the bid validity period;
   iv) When validity lapses the contractual obligation that the bidder accepted on signing the relevant bid documentation falls away, therefore when a bid expires there is nothing to extend;
   v) It cannot be evaluated further and it must be cancelled and re-advertised;
   vi) Reasons for extensions of bids must be investigated;
   vii) Extensions must be granted based on good reasons and it must be approved by the Bid Adjudication Committee, Chief Financial Officer or the Municipal Manage;
   viii) All bidders must be notified in writing and submit their intentions to abide by the terms and conditions and participate further in the bid;
   ix) Only those bidders who agree to the extension will be evaluated;
   x) Second extensions will be limited to those bidders that responded the first time.
   xi) Once an extension is granted, proper planning has to be done to ensure that the process of evaluating and awarding bids is carried out before the expiry of a bid validity period.
   xii) Departments are discouraged to exercise this option due to the fact that it creates the opportunity for bidders to amend their offers at the peril of the Department.
   xiii) Bidders may change the price due to changes or unforeseen circumstances. Reasons must be supplied by the bidder for the above and when considering these changes, the Department must make sure that justice and fairness to the other bidders are not sacrificed.
   xiv) If the escalation of prices for which provision is not already made in the bid documents,

is regarded reasonable, it may be taken into account.

xv) If a bidder should reduce his bid price, the reduction may be considered only if the bidder would have been the successful bidder without the reduction in any case. The case must be evaluated at the original price that he bid and if successful, is accepted at the reduced price.

i) Samples

i) Where samples are called for in the bid documents, samples (marked with the bid and item number as well as the bidder's name and address) shall be delivered separately (to the bid) to the addressee mentioned in the bid documents by no later than the closing time of the bid.

ii) Bids may not be included in parcels containing samples.

iii) If samples are not submitted as required in the bid documents, then the bid concerned may be declared invalid.

iv) Samples shall be supplied by a bidder at his/her own expense and risk. Matzikama Municipality shall not be obliged to pay for such samples or compensate for the loss thereof, unless otherwise specified in the bid documents, and shall reserve the right to return such samples or to dispose of them at its own discretion.

v) If a bid is accepted for the supply of goods according to a sample submitted by the bidder, that sample will become the contract sample. All goods/materials supplied shall comply in all respects to that contract sample.

j) Invalid Bids

i) Bids shall be invalid, and shall be endorsed and recorded as such in the bid opening record by the responsible official appointed by the Manager: SCM to open the bid, in the following instances;

if the bid is not sealed;

if the bid is not completed in non-erasable ink;

if, in a two-envelope system, the bidder fails to submit both a technical proposal and a separate financial offer/bid.

k) Bid Sum

A bid will not necessarily be invalidated if the amount in words and the amount in figures do not correspond, in which case the amount in words shall be read out at the bid opening.

24. Negotiations with preferred bidders

1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
   a) does not allow any preferred bidder a second or unfair opportunity;
   b) is not to the detriment of any other bidder; and
   c) does not lead to a higher price than the bid as submitted.

2) Minutes of such negotiations must be kept for record purposes.

25. Two-stage (Prequalification) bidding process vs. Two Envelope System

Two-stage bidding process

1) In a two-stage (prequalification) bidding process, bidders are first invited to prequalify in terms of

predetermined criteria, without being required to submit detailed technical proposals (where applicable) or a financial offer;

2) A two-stage bidding process is allowed for –
   a) large complex projects;
   b) projects where it may be undesirable to prepare complete detailed technical specifications; o
   c) long term projects with a duration period exceeding three years.

3) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

4) In the second stage final technical proposals and priced bids should be invited.

5) Once the bidders have prequalified for a particular project, they shall be given not less than 7 days to submit a final technical proposal (where applicable and or a financial offer).
6) Functionality criteria and evaluation must be aligned with PPPFA Regulations.

7) A two envelope system differs from a two-stage (prequalification) bidding process in that a technical proposal and the financial offer are submitted in separate envelopes at the same place and time. The financial offers will only be opened once the technical proposals have been evaluated. The unclosed financial offers will be returned to bidders along with the notification of the decision of the Bid Adjudication Committee.

26. Committee system for competitive bids

1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:
   a) a bid specification committee;
   b) a bid evaluation committee; and
   c) a bid adjudication committee;

2) The accounting officer appoints the members of each committee, taking into account section 117 of the Act; and

3) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

4) The committee system must be consistent with –
   a) paragraph 27, 28 and 29 of this Policy; and
   b) any other applicable legislation.

5) The accounting officer may apply the committee system to formal written price quotations.

27. Bid specification committees

1) A bid specification committee must compile the specifications for each procurement of goods or services by the Matzikama Municipality.

2) Specifications –
   a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
   b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
   c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
   d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
   e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
   f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2017;
   g) must be approved by the accounting officer or delegated official prior to publication of the invitation for bids in terms of paragraph 22 of this Policy;
   h) the following information must be submitted by the Manager: Budgeting prior to the public advertisement of all bids (all applicable taxes included):
      i) Proof that budgetary provision exists for procurement of the goods, services and/or infrastructure projects;
      ii) Any ancillary budgetary implications related to the bid, for example, if the project is for the acquisition of a municipal asset, does budgetary provision exist for the operation of the asset, maintenance costs relating to the asset, administration costs and rehabilitation/renewal costs; and
      iii) Any multi-year budgetary implications, for example, if a project will take more than one financial year, the estimated expenditure per financial year. Goods, services and/or infrastructure projects for all bids (all applicable taxes included) may only be advertised after the Manager: Budgeting has verified in writing that budgetary provision exists for the commencement of the particular project.

3) A bid specification committee must be composed of one or more officials of the Matzikama Municipality preferably the manager responsible for the function involved, and may, when appropriate, include external and/or internal specialist advisors.

4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

28. Bid evaluation committees

1) A bid evaluation committee must –
   a) evaluate bids in accordance with –

i) the specifications for a specific procurement; and
ii) the points system set out in terms of paragraph 27(2)(f).

b) evaluate each bidder's ability to execute the contract;

c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and; submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

2) A bid evaluation committee must as far as possible be composed of-
   a) officials from departments requiring the goods or services; and
   b) at least one supply chain management practitioner of the Matzikama Municipality.

3) Bid Evaluation
   a) The responsible municipal official shall carry out a preliminary evaluation of all valid bids received and shall submit a bid evaluation report to the Bid Evaluation Committee for consideration.
   b) Any evaluation of a bid shall consider the bids received and shall note for inclusion in the evaluation report, a bidder:
      i) whose bid does not comply with the provisions of Section 38 of this Policy;
      ii) whose bid does not comply with the provisions of Section13 of this Policy;
      iii) whose bid is not in compliance with the specification;
      iv) whose bid is not in compliance with the terms and conditions of the bid documentation;
      v) whose bid does not comply with any minimum goals stipulated in terms of Matzikama Municipality's Preferential Procurement Policy;
      vi) who is not registered and verified on the Central Supplier Database. In this regard bid documentation shall state that the responsibility for registration and verification rests solely with the bidder;
      vii) who, in the case of construction works acquisitions, does not comply with the requirements of the Construction Industry Development Board Act regarding registration of contractors. Verification of compliance with this requirement shall be by means of CIDB and Central Supplier Database (if possible); and
      viii) who fails to comply with any applicable Bargaining Council agreements.
   c) The SCM official responsible for scheduling of Bid Evaluation Committee meetings must verify the above SCM compliance check as per bid evaluation committee checklist and the chairperson of the committee must sign off on the latter.
   d) Bids shall be evaluated according to the following as applicable:
      i) bid price (corrected if applicable and brought to a comparative level where necessary),
      ii) the unit rates and prices,
      iii) the bidder's ability to fulfil its obligations in terms of the bid documents,
      iv) any qualifications to the bid,
      v) the bid ranking obtained in respect of Preferential Procurement as required by Matzikama Municipality's Preferential Procurement Policy,
      vi) the financial standing of the bidder, including its ability to furnish the required institutional guarantee, where applicable,
      vii) the chairperson of the Bid Evaluation Committee will sign off on the BEC checklist after verification of all applicable matters,
      viii) any other criteria specified in the bid documents.
   e) The Bid Evaluation Committee shall check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears.

f) The evaluation of bids on an equitable basis may be considered during the evaluation process.
g) Additional information or clarification of bids may be called for if required, but only in writing.
h) Alternative bids may be considered, provided that a bid free of qualifications and strictly in accordance with the bid documents is also submitted. Matzikama Municipality shall not be bound to consider alternative bids.
i) If a bidder requests in writing, after the closing of bids, that his/her bid be withdrawn, then such a request may be considered and reported in the bid evaluation report.
j) If, after bids have been brought to a comparative level, two or more score equal total award points, the recommended bidder shall be the one scoring the highest preference points for B-BBEE.
k) If two or more bids are equal in all respects, the Bid Evaluation Committee shall draw lots to decide on the recommendation for award, or may, in the case of goods and services, recommend splitting the award proportionately, where applicable.
l) All disclosures of conflict of interest shall be considered by the Bid Evaluation Committee and if the conflict of interest is of a material nature, this shall be reported to the Bid Adjudication Committee.

m) All contracts may only be recommended for award to the preferred bidder after the Manager: Budgeting has verified in writing that budgetary provision exists for the acquisition of the goods, infrastructure projects and/or services.

4) In the case where a two envelope bidding process is followed, the accounting officer or applicable director must appoint the three independent evaluators for the technical evaluation (test for functionality) in writing and the appointment letters must be provided to the SCM office for audit purposes.

29. Bid adjudication committees

General

1) Matzikama Municipality shall not be obliged to accept any bid.

2) For goods and service bids, Matzikama Municipality shall have the right to accept the whole bid or part of the bid or any item or part of an item or accept more than one bid.

Bid Adjudication Committee

3) A bid adjudication committee must –
   a) consider the report and recommendations of the bid evaluation committee; and
   b) either –
      i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
      ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.

4) A bid adjudication committee must consist of at least four senior managers of the Matzikama Municipality, which must include –
   a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer;

b) at least one senior supply chain management practitioner who is an official of the Matzikama Municipality; and
c) a technical expert in the relevant field who is an official, if such an expert exists.

5) The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.

6) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.

7) The Bid Adjudication Committee will be open to the public and the committee will be conducted in terms of the Guide and Rules of Order for Bid Committees.

8) Awarding a bid to another service provider:
   a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid–
      i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears,
      ii) check whether bidder comply with Bid Evaluation (2), and
      iii) notify the accounting officer.
   b) The accounting officer may –
      i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and
      ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

9) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

10) The accounting officer must comply with section 114 of the Act within 10 working days

11) Cancellation of bids:
   a) Bids may be cancelled in terms of reasons prescribed in Regulation 13 of the Preferential Procurement Regulations, 2017.
   b) If it becomes necessary to cancel or re-advertise formal bids, then a report to this effect shall be submitted to the Bid Adjudication Committee for decision.
   c) If bids have been cancelled, then all bidders must be notified by the relevant department in writing.
   d) It is not necessary to notify original bidders when calling for new bids, which will be advertised in accordance with clause 22(1)(a).
   e) No bid may be re-advertised before the expiry date of the validity period of the original bid, or any extended validity period.
   f) Notwithstanding clause 29(8)(d), where no valid bids are received or where all bidders have

indicated in writing that they have no objection to the re-advertisement of the bid, then the bid may be re-advertised forthwith.

g) In the case of bids for construction related works, and where the Bid Adjudication committee resolved that there were no responsive tenders received, then the bid may be re-advertised forthwith.

12) Right of Appeal

a) In terms of Section 62 of the Systems Act, a person whose rights are affected by a decision taken by the Matzikama Municipality, in terms of a delegated authority, in the implementation of its supply chain management system, may appeal against that decision by giving written notice of the appeal and reasons to the appeal authority within 21 days of the date of receipt of the notification of the decision.

b) Bid documents must state that any appeal in terms of this clause must be submitted to the appeal authority at the address stated, and must contain the following:
   i) reasons and/or grounds for the appeal;
   ii) the way in which the appellant's rights have been affected; and
   iii) the remedy sought by the appellant.

c) No bid shall be formally accepted until either the expiry of the 21 day appeal period, or confirmation in writing before the expiry of the 21 day appeal period that none of the affected parties intend to appeal, or confirmation of the satisfactory resolution of any appeals.

13) Notification of Decision

a) If the Bid Adjudication Committee or other delegated official has resolved that a bid be accepted, the successful and unsuccessful bidders shall be notified in writing of this decision.

b) The successful bidder shall, in addition, be advised of the 21 day appeal period, and be notified that no rights accrue to him/her until the bid is formally accepted in writing.

c) Every notification of decision shall be faxed or sent via electronic mail to the address chosen by the bidder, with a copy of proof of transmission kept for record purposes, or shall be delivered by hand, in which case acknowledgement of receipt must be signed and dated on a copy of such notification and kept for record purposes.

30. Procurement of banking services

1) A contract for banking services:
   a) must be procured through competitive bids;
   b) must be consistent with section 7 or 85 of the Act; and
   c) may not be for a period of more than five years at a time.

2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed on ePortal and in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31. Procurement of IT related goods or services

1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

3) The accounting officer must notify SITA together with a motivation of the IT needs if –
   a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
   b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

4) If SITA comments on the submission and the Matzikama Municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the Council, the National Treasury, the relevant provincial treasury and the Auditor General.

32. Procurement of goods and services under contracts secured by other organs of state

1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –
   a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
   b) there is no reason to believe that such contract was not validly procured;
   c) there are demonstrable discounts or benefits to do so; and
   d) that other organ of state and the provider has consented to such procurement in writing.

2) Subparagraphs (1)(c) and (d) do not apply if –
   a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
   b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

33. Procurement of goods necessitating special safety arrangements

1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided wherever possible.

2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

34. Proudly SA Campaign

1) Matzikama Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:
   a) Firstly – suppliers and businesses within the municipality or district;

b) Secondly – suppliers and businesses within the relevant province;
c) Thirdly – suppliers and businesses within the Republic of South Africa.

2) Matzikama Municipality applies local content and production in terms of the Preferential Procurement Regulations, 2017.

3) The Department of Trade and Industry (DTI) identifies designated sectors and procurement processes makes provision for above.

35. Appointment of consultants

1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services or Construction Industry Development Board guidelines in respect of services related to the built environment and construction works are taken into account when such procurements are made.

2) Consultancy services must be procured through competitive bids if -
   a) the value of the contract exceeds R200 000 (VAT included); or
   b) the duration period of the contract exceeds one year.

3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
   a) all consultancy services provided to an organ of state in the last five years; and
   b) any similar consultancy services provided to an organ of state in the last five years.

4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Matzikama Municipality.

5) Where the estimated value of fees is less than R200 000 and the duration of the appointment is less than one year, any National Treasury and, where applicable, Construction Industry Development Board guidelines in respect of consulting services are taken into account.

36. Deviation from, and ratification of minor breaches of, procurement processes

1) The accounting officer may –
   a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
      i) in an emergency (An emergency is considered as an unforeseeable and sudden event with materially harmful or potentially harmful consequences for the municipality which requires urgent action to address;
      ii) if such goods or services are produced or available from a single provider only;
      iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
      iv) acquisition of animals for zoos and/or nature and game reserves; or
      v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes;
      vi) the acquisition of services of attorneys and advocates subject to the acquisition of such

services to dealt with in terms of the system of delegations of the municipality;

b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties, which are purely of a technical nature.

c) may condone any irregular expenditure incurred in contravention of, or that is not in accordance with a requirement of this Policy and which is not also a contravention of the Municipal Supply Chain Management Regulations (GG 27636 of 30 May 2005), provided that such condonation and the reason therefore shall be reported to Council at the next ensuing meeting.

2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the Council and include as a note to the annual financial statements.

3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

4) The following will be deemed not to be deviations from SCM processes:
   i) Advertisements that are placed in National and Provincial Government Gazettes.
   ii) Vehicles serviced by the agent in terms of the warranty or service plan of the vehicle as well as any other repairs or maintenance that is identified when the vehicle is being serviced by an agent in terms of the warranty or service plan of the vehicle.
   iii) The acquisition of services of medical specialists as may be required from time to time and in terms of the Pension Funds Amendment Act, Act 65 of 2001 and related regulations and amendments.
   iv) Any machinery or other equipment serviced by the agent in terms of the warranty or service plan of that machinery or equipment.
   v) The procurement of newspapers for municipal libraries and other municipal offices.
   vi) The acquisition of driving license cards from the service provider officially appointed by the National Department of Transport to issue such cards.
   vii) Pauper burials and cremations.

5) The abovementioned must be included in the SCM report that is submitted on a monthly basis to Council.

37. Unsolicited bids

1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –
   a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
   b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
   c) the person who made the bid is the sole provider of the product or service; and
   d) the reasons for not going through the normal bidding processes are found to be sound by

the accounting officer.

3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –

   a) reasons as to why the bid should not be open to other competitors;
   b) an explanation of the potential benefits if the unsolicited bid were accepted; and
   c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.

6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

7) When considering the matter, the adjudication committee must take into account –
   a) any comments submitted by the public; and
   b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.

8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the Matzikama Municipality to the bid may be entered into or signed within 30 days of the submission.

38. Combating of abuse of supply chain management system

1) The accounting officer must–
   a) take all reasonable steps to prevent abuse of the supply chain management system;
   b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
      i) take appropriate steps against such official or other role player; or
      ii) report any alleged criminal conduct to the South African Police Service;
   c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
   d) reject any bid from a bidder–
      i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Matzikama Municipality or to any other municipality or municipal

entity, are in arrears for more than three months; or

ii) who during the last five years has failed to perform satisfactorily on a previous contract with the Matzikama Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;

e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;

f) cancel a contract awarded to a person if –

i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or

ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and

f) reject the bid of any bidder if that bidder or any of its directors –

i) has abused the supply chain management system of the Matzikama Municipality or has committed any improper conduct in relation to such system;

ii) has been convicted for fraud or corruption during the past five years;

iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

2) The accounting officer must appoint an independent official or external service provider (depending on the circumstances) to investigate findings against a bidder or contractor, its shareholders and directors, or only shareholders and directors;

i) The bidder or person will be disqualified from the bidding process;

ii) The Municipality must recover all costs; losses or damages it has suffered as a result of that person's conduct;

iii) The Municipality will cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellations;

iv) The Municipality will restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis from obtaining the contract/ bid; and

v) The matter will be forwarded for criminal prosecution.

3) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.

4) The Accounting Officer may invalidate recommendations or decisions that were unlawfully or improperly made, taken or influenced, including recommendations or decisions that were made, taken or in any way influenced by:

a) Councillors in contravention of item 5 or 6 of the Code of Conduct for Councillors in schedule 1 of the Systems Act (Annexure D); or

b) municipal officials in contravention of item 4 or 5 of the Code of Conduct for Municipal Staff Members set out in schedule 2 of the Systems Act (Annexure E).

Part 3: Logistics, Disposal, Risk and Performance Management

39. Logistics management

The accounting officer must establish and implement an effective system of logistics management, which must include –

a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;

b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;

c) the placing of manual or electronic orders for all acquisitions above R2,000;

d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;

e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;

f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and

g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

40. Disposal management

1) To give effect to:
   a) Regulation 40 of the Supply Chain Management Regulations which requires an effective system for the disposal or letting of assets including unserviceable, redundant or obsolete assets, and
   b) the Municipal Asset Transfer Regulations,

Subject to sections 14 and 90 of the Municipal Finance Management Act (MFMA) and any other applicable legislation.

2) The disposal of assets must–
   a) be by one of the following methods –
      i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
      ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
      iii) selling the asset; or
      iv) destroying the asset;
   b) provided that –
      i) immovable property may be sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
      ii) movable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
      iii) in the case of the free disposal of computer equipment, the provincial department of

education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment; and

iv) in the case of the disposal of firearms, the National Conventional Arms Control Committee has approved any sale or donation of firearms to any person or institution within or outside the Republic;

c) furthermore ensure that –

i) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise; and

ii) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed; and ensure that where assets are traded in for other assets, the highest possible trade-in price is negotiated.

41. Risk management

1) The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system in accordance with Risk Management Policy of Matzikama Municipality, are as follows:

2) Risk management must include –
   a) the identification of risks on a case-by-case basis;
   b) the allocation of risks to the party best suited to manage such risks;
   c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
   d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
   e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

42. Performance Monitoring

1) The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

2) Performance management shall accordingly be characterised by a monitoring process and retrospective analysis to determine whether:
   a) value for money has been attained;
   b) proper processes have been followed;
   c) desired objectives have been achieved;
   d) there is an opportunity to improve the process;
   e) suppliers have been assessed and what that assessment is; and
   f) there has been deviation from procedures and, if so, what the reasons for that deviation are.

Part 4: Other matters

43. Ethical standards

1) A code of ethical standards as set out in [subparagraph (2) / the "*National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management*" is hereby established for officials and other role players in the supply chain management system of the Matzikama Municipality in order to promote-
   a) mutual trust and respect; and
   b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

2) An official or other role player involved in the implementation of this Policy–
   a) must treat all providers and potential providers equitably;
   b) may not use his or her position for private gain or to improperly benefit another person;
   c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R 350;
   d) notwithstanding subparagraph (2) (c), must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
   e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Matzikama Municipality
   f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
   g) must be scrupulous in his or her use of property belonging to Matzikama Municipality;
   h) must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
   i) must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
      i) any alleged fraud, corruption, favouritism or unfair conduct;
      ii) any alleged contravention of paragraph 47(1) of this Policy; or
      iii) any alleged breach of this code of ethical standards.

3) Declarations in terms of subparagraphs (2)(d) and (e) -
   a) must be recorded in a register, which the accounting officer must keep for this purpose;
   b) by the accounting officer must be made to the mayor of the municipality who must ensure that such declarations are recorded in the register.

4) The National Treasury's code of conduct must be adhered to by supply chain management practitioners and other role players involved in supply chain management.

5) A breach of the code of ethics must be dealt with as follows (schedule 2 of the Systems Act) -
   a) in the case of an employee, in terms of the disciplinary procedures of the Matzikama Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
   b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
   c) in all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.
   d) all cases of non-compliance to this Policy should be reported to the Accounting

Officer.

44. Inducements, rewards, gifts and favours to municipalities, officials and other role players

1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

   a) any inducement or reward to the Matzikama Municipality for or in connection with the award of a contract; or
   b) any reward, gift, favour or hospitality to –
      i) any official; or
      ii) any other role player involved in the implementation of this Policy.

2) The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

3) Subparagraph (1) does not apply to gifts less than R 350 in value.

45. Sponsorships

The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

a) a provider or prospective provider of goods or services; or
b) a recipient or prospective recipient of goods disposed or to be disposed.

46. Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

47. Resolution of disputes, objections, complaints and queries

1) The accounting officer may, if deemed so appoint an independent and impartial person, not directly involved in the supply chain management processes –
   a) to assist in the resolution of disputes between the Matzikama Municipality and other persons regarding-
      i) any decisions or actions taken in the implementation of the supply chain management system; or
      ii) any matter arising from a contract awarded in the course of the supply chain management system; or
   b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.

3) The person appointed must –
   a) strive to resolve promptly all disputes, objections, complaints or queries received; and
   b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.

4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –
   a) the dispute, objection, complaint or query is not resolved within 60 days; or
   b) no response is forthcoming within 60 days.

5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

48. Contracts providing for compensation based on turnover

If a service provider acts on behalf of a Matzikama Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Matzikama Municipality must stipulate –
   a) a cap on the compensation payable to the service provider; and
   b) that such compensation must be performance based.

49. Contracts Having Budgetary Implications beyond Three Financial Years

Matzikama Municipality may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of section 33 of the Municipal Finance Management Act have been fully complied with.

50. Contract Administration

1) Contract administration includes all administrative duties associated with a contract that has arisen through one of the acquisition/procurement processes described in this policy.

2) All contracts must be administered by a contract manager, who will be an internal official assigned to ensure the effective administration of the contract.

3) The contract manager will typically be the internal project manager assigned to the project as a whole, but may also be a cost centre owner or other responsible official.

4) A contract manager must be assigned to each contract and, where possible, should be involved from the earliest stages of the acquisition process.

5) The contract manager's duties and powers shall be governed by the conditions of contract and the general law.

6) In administering a contract, the contract manager will be required to form opinions and make

decisions which, while in the Municipality's best interests, must be fair to all parties concerned.

7) Departmental Heads (Directors) shall be responsible for ensuring that contract managers
   a) are assigned to all contracts within the Department Head's area of responsibility; and
   b) are adequately trained so that they can exercise the necessary level of responsibility in the performance of their duties.

8) The contract manager must:
   a) ensure that all the necessary formalities in signing up of legally sound contracts and/or issuing the purchase order(s) are adhered to related to goods and services, excluding CIDB tenders;
   b) ensure that legally sound contracts for CIDB related procurement are provided to SCM who will obtain the signature of the accounting officer;
   c) ensure that all original contract documentation is lodged with the Supply Chain Management Department for record purposes;
   d) monitor the performance of the contractor in order to ensure that all of the terms and conditions of the contract are met;
   e) where necessary, take appropriate action where a contractor is underperforming or is in default or breach of the contract;
   f) submit a report with relevant proof of the breaches of the Manager Expenditure for initiating appropriate action if remedies addressed in agreement with the contractor or service provider cannot be resolved;
   g) where appropriate, authorise payments due in terms of the contract by processing payment certificates (if applicable),
   h) manage contract variations or change procedures;
   i) administer disputes where necessary, in terms of this policy and the applicable Conditions of Contract;
   j) conduct, if necessary, post contract reviews;
   k) maintain adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
   l) act with care and diligence and observe all accounting and legal requirements;
   m) complete and update the contracts registered on the i-Tender systems as required;
   n) report non-performance and non-compliance of contractors to the CIDB as per the CIDB guidelines;
   o) maintain all aspects required, if applicable, in terms of the CIDB regulations and guidelines; and
   p) periodically review contracts or agreements once every three years in the case of a contract or agreement awarded for longer than three years and provide a report to SCM in compliance with Section 116(1)(b)(iii) of the MFMA.

9) The Supply Chain Management officials must:
   a) provide all contracts for tenders awarded to the accounting officer for signature;
   b) register the award or cancellation of all CIDB related contracts within 21 days of the signing of the contract in terms of Regulation 18 of the CIDB Regulations on the website of the CIDB and ePortal (if applicable);
   c) register the award or cancellation of all contracts for goods and service within 21 days of the signing of the contract on the ePortal;
   d) file proof of registration on CIDB for audit purposes; and

e) file proof of registration on ePortal for audit purposes.

51. Performance Management

1) In the case of goods and services supplied in response to a quotation or deviation invited by the section of the Municipality which requested the goods or service must certify on the supplier's invoice that the goods or service had been supplied in accordance with the Municipality's requirements before payment is made.

2) The appointed contract manager which required the goods or a service in terms of a competitive bidding process must ensure that the goods had been delivered or the service completed according to the Municipality's quality and other requirements as specified in the relevant bid documentation.

3) In the case of goods or services procured through a tender process as specified in terms of paragraph 19 of this Policy, the Manager Expenditure must provide a written report on a monthly basis on all bids awarded, whether it is a progress report or a report of completion per supplier per tender before the 10th working day of each month.

4) The monthly report must include items listed in paragraph 50(8) in terms of-
   a) whether or not the performance of the supplier was satisfactory in terms of adherence to specifications and delivery or completion schedules,
   b) level of product or service quality and/or quality of workmanship;
   c) details, supported by copies of any written notifications regarding service delivery given to the supplier;
   d) a recommendation, if applicable, on any further action to be taken against the supplier in terms of paragraph 38 of this Policy.

52. Management of expansion or variation of orders against the original contract

1) Contracts may be expanded or varied by not more than 15% for construction related goods, services and/or infrastructure projects and for all other goods and/or services of the original value of the contract.

2) Anything beyond the abovementioned thresholds in paragraph (1) must be reported to Council.

3) Variation orders must be recorded in the contract register.

4) Variation orders must be dealt with in terms of system of delegations of Matzikama Municipality.

5) Any expansion or variation in excess of these thresholds must be dealt with in terms of the provisions of section 116(3) of the MFMA which will be regarded as an amendment to the contract.

6) The contents of paragraph (5) are not applicable to transversal term contracts, facilitated by the relevant treasuries on behalf of municipalities and specific term contracts. The latter refers to orders placed as and when commodities are required and at the time of awarding contracts, the required quantities were unknown.

53. Approval, review and implementation

This reviewed policy will takes effect on after adoption by Council.

ANNEXURE A: CODE OF CONDUCT FOR SCM ROLE PLAYERS AND OTHER ROLE PLAYERS

The **purpose** of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

1 General Principles

The municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.

1.1 Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.

1.2 Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

2 Conflict of interest

An official or other role player involved with supply chain management –

(a) must treat all providers and potential providers equitably;

(b) may not use his or her position for private gain or to improperly benefit another person;

(c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;

(d) must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;

(e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the municipality;

(f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

(g) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;

(h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and

(i) should not take improper advantage of their previous office after leaving their official position.

3 Accountability

3.1 Practitioners are accountable for their decisions and actions to the public.

3.2 Practitioners should use public property scrupulously.

3.3 Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.

3.4 All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.

Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system. Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including

(i) any alleged fraud, corruption, favouritism or unfair conduct;

(ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and

(iii) any alleged breach of this code of conduct.

Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the mayor who must ensure that such declaration is recorded in the register.

4 Openness

Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

5 Confidentiality

Any information that is the property of the municipality or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.

Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service.

6 Bid Specification / Evaluation / Adjudication Committees

6.1 Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.

6.2. Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

6.3 All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.

6.4 No person should-

6.4.1 interfere with the supply chain management system of the; or

6.4.2 amend or tamper with any price quotation / bid after its submission.

7 Combative Practices

Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

(i) Suggestions to fictitious lower quotations;

(ii) Reference to non-existent competition;

(iii) Exploiting errors in price quotations / bids;

(iv) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

ANNEXURE B: CODE OF CONDUCT FOR COUNCILLORS (MUNICIPAL SYSTEMS ACT)

Councillors are elected to represent local communities on municipal Councils, to ensure that municipalities have structured mechanisms of accountability to local communities, and to meet the priority needs of communities by providing services equitably, effectively and sustainable within the means of the municipality. In fulfilling this role Councillor must be accountable to local communities and report back at least quarterly to constituencies on Council matters, including the performance of the municipality in terms of established indicators. In order to ensure that Councillors fulfil their obligations to their communities, and support the achievement by the municipality of its objectives set out in section 19 of the Municipal Structures Act, the following Code of Conduct is established.

Definitions

1. In this Schedule 'partner' means a person who permanently lives with another person in a manner as if married.

General conduct of Councillors

2. A Councillor must—
   (a) perform the functions of office in good faith, honestly and a transparent manner; and
   (b) at all times act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised.

Attendance at meetings

3. A Councillor must attend each meeting of the municipal Council and of a committee of which that Councillor is a member, except when—
   (a) leave of absence is granted in terms of an applicable law or as determined by the rules and orders of the Council; or
   (b) that Councillor is required in terms of this Code to withdraw from the meeting. Sanctions for non-attendance of meetings

4. (1) A municipal Council may impose a fine as determined by the standing rules and orders of the municipal Council on a Councillor for:
      (a) not attending a meeting which that Councillor is required to attend in terms of item 3; or
      (b) failing to remain in attendance at such a meeting.
   (2) A Councillor who is absent from three or more consecutive meetings of a municipal Council, or from three or more consecutive meetings of a committee, which that Councillor required to attend in terms of item 3, must be removed from office as a

Councillor.

(3) Proceedings for the imposition of a tine or the removal of a Councillor must be conducted in accordance with a uniform standing procedure which each municipal Council must adopt for the purposes of this item. The uniform standing procedure must comply with the rules of natural justice.

Disclosure of interests

5. (1) A Councillor must—

(a) disclose to the municipal Council, or to any committee of which that Councillor is a member, any direct or indirect personal or private business interest that

that Councillor, or any spouse, partner or business associate of that Councillor may have in any matter before the Council or the committee: and

(b) withdraw from the proceedings of the Council or committee when that matter is considered by the Council or committee, unless the Council or committee decides that the Councillor's direct or indirect interest in the titter is trivial or irrelevant.

(2) A Councillor who, or whose spouse, partner. business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose full particulars of the benefit of which the Councillor is aware at the first meeting of the municipal Council at which it is possible for the Councillor to make the disclosure.

(3) This section does not apply to an interest or benefit which a Council or, or a spouse, partner, business associate or close family member, has or acquires in common with other residents of the municipality.

Personal gain

6. (1) A Councillor may not use the position or privileges of Councillor, or confidential information obtained as a Councillor, for private gain or to improperly benefit another person.

(2) Except with the prior consent of the municipal Council. a Councillor may not—

(a) be a party to or beneficiary under a contract for—

(i) the provision of goods or services to the municipality; or
(ii)the performance of any work otherwise than as a Councillor for the municipality;

(b) obtain a financial interest in any business of the municipality: or

(c) for a fee or other consideration appear on behalf of any other person before the Council or a committee.

(3) If more than one quarter of the Councillor's object to consent being given to a Councillor in terms of sub item (2) such consent may only be given to the Councillor with the approval of the MEC for local government in the province.

Declaration of interests

7. (1) When elected or appointed, a Councillor must within 60 days declare in writing to the municipal manager the following financial interests held by that Councillor:

(a) shares and securities in any company;
(b) membership of any close corporation;
(c) interest in any trust;
(d) directorships;
(e) partnerships;
(f) other financial interests in any business undertaking:
(g) employment and remuneration:
(h) interest in property;
(i) pension; and
(j) subsidies, grants and sponsorships by any organization.

(2) Any change in the nature or detail of the financial interests of a Councillor must be declared in writing to the municipal manager annually.

(3) Gifts received by a Councillor above a prescribed amount must also be declared in accordance with sub item (1).

(4) The municipal Council must determine which of the financial interests referred in sub item (1) must be made public having regard to the need for confidentiality and the public interest for disclosure.

Full-time Councillors

8. A Councillor who is full-time Councillor may not undertake any other paid work, except with the consent of a municipal Council which consent shall not unreasonably be withheld.

Rewards, gifts and favours

9. A Councillor may not request, solicitor accept any reward, gift or favour for—

(a) voting or not voting in a particular manner on any matter before the municipal Council

or before a committee of which that Councillor is a member;

(b) persuading the Council or any committee in regard to the exercise of any power, function or duty;

(c) making a representation to the Council or any committee of the Council; or

(d) disclosing privileged or confidential information.

Unauthorised disclosure of information

10. (1) A Councillor may not without the permission of the municipal Council or a committee disclose any privileged or confidential information of the Council or committee to any unauthorized person.

(2) For the purpose of this item 'privileged or confidential information' includes any information—

(a) determined by the municipal Council or committee to be privileged or confidential;

(b) discussed in closed session by the Council or committee;

(c) disclosure of which would violate a person's right to privacy; or

(d) declared to be privileged, confidential or secret in terms of law.

(3) This item does not derogate from the right of any person to access to information in terms of national legislation.

Intervention in administration

11. A Councillor may not, except as provided by law—

(a) interfere in the management or administration of any department of the municipal Council unless mandated by Council;

(b) give or purport to give any instruction to any employee of the Council except when authorized to do so;

(c) obstruct or attempt to obstruct the implementation of any decision of the Council or a committee by an employee of the Council: or

(d) encourage or participate in any conduct which would cause or contribute to misadministration in the Council.

Council property

12. A Councillor may not use, take, acquire or benefit from any property or asset owned, controlled or managed by the municipality to which that Council or has no right.

Duty of chairpersons of municipal Councils

13. (1) If the chairperson of a municipal Council, on reasonable suspicion, is of the opinion that a provision of this Code has been breached, the chairperson must—

(a) authorize an investigation of the Facts and circumstances of the alleged breach;

(b) give *the* Councillor a reasonable opportunity to reply in writing regarding the alleged breach; and

(c) report the matter to a meeting of the municipal Council after paragraphs (a) and

(d) have been complied with.

(2) A report in terms of sub item (1) (c) is open to the public.

(3) The chairperson must report the outcome of the investigation to the MEC for local government in the province concerned.

(4) The chairperson must ensure that each Councillor when taking office is given a copy of this Code and that a copy of the Code is available in every room or place where the Council meets.

Breaches of Code

14. (1) A municipal Council may—

(a) investigate and make a finding on any alleged breach of a provision of this Code

(b) establish a special committee-

(i) to investigate and make a finding on any alleged breach of this Code; and

(ii) to make appropriate recommendations to the Council.

(2) If the Council or a special committee finds that a Councillor has breached a provision of this Code, the Council may—

(a) issue a formal warning to the Councillor:

(b) reprimand the Councillor;

(c) request the MEC for local government in the province to suspend the Councillor for a period;

(d) fine the Councillor; and

(e) request the MEC to remove the Councillor from office.

(3) (a) Any Councillor who has been warned, reprimanded or fined in terms of paragraph (a), (b) or (d) of sub item (2) may within 14 days of having been notified of the decision of Council appeal to the MEC for local government in writing setting out the reasons on which the appeal is based.

(b) A copy of the appeal must be provided to the Council.

(c) The Council may within 14 days of receipt of the appeal referred to in paragraph (b) make any representation pertaining to the appeal to the MEC for local government in writing.

(d) The MEC for local government may, after having considered the appeal, confirm. set aside or vary the decision of the Council and inform the Councillor and the Council of the outcome of the appeal.

(4) The MEC for local government may appoint a person or a committee to investigate any alleged breach of a provision of this Code and to make a recommendation on whether the Councillor should be suspended or removed from office.

(5) The Commissions Act, 1947 (Act 8 of 1947). may be applied to an investigation in terms of sub item (3).

(6) If the MEC is of the opinion that the Councillor has breached a provision of this Code, and that such contravention warrants a suspension or removal from office, the MEC may—

(a) suspend the Councillor for a period and on conditions determined by the MEC;

(b) remove the Councillor from office.

(7) Any investigation in terms of this item must be in accordance with the rules of natural justice.

Application of Code to traditional leaders

15. (1) Items 1.2 ,5 ,6 ,9(b) to (d),10 ,11 ,12 ,13 and 14(1) apply to a traditional leader who participates or has participated in the proceedings of a municipal Council in terms of section 81 of the Municipal Structures Act.

(2) These items must be applied to the traditional leader in the same way they apply to Councillors.

(3) If a municipal Council or a special committee in terms of item 14 (1) finds that a traditional leader has breached a provision of this Code, the Council may-

(a) issue a formal warning to the traditional leader; or

(b) request the MEC for local government in the province to suspend or cancel the traditional leader's right to participate in the proceedings of the Council.

(4) The MEC for local government may appoint a person or a committee to investigate any

alleged breach of a provision of this Code and to make a recommendation on whether the right of the traditional leader to participate in the proceedings of the municipal Council should be suspended or cancelled.

(5) The Commissions Act 1947 may be applied to an investigation in terms of sub item (4).

(6) If the MEC is of the opinion that the traditional leader has breached a provision of this Code, and that such breach warrants a suspension or cancellation of the traditional leader's right to participate in the Council's proceedings, the MEC may—

(a) suspend that right for a period and on conditions determined by the MEC; or

(b) cancel that right.

(7) Any investigation in terms of this item must be in accordance with the rules of natural justice.

(8) The suspension or cancellation of a traditional leader's right to participate in the proceedings of a Council do not affect that traditional leader's right to address the Council in terms of section 81 (3) of the Municipal Structures Act.

ANNEXURE C: CODE OF CONDUCT FOR MUNICIPAL STAFF MEMBERS

Definitions

1. In this Schedule “partner” means a person who permanently lives with another person in a manner as if married.

General conduct

2. A staff member of a municipality must at all times—
   (a) loyally execute the lawful policies of the municipal Council;
   (b) perform the functions of office in good faith, diligently, honestly and in a transparent manner;
   (c) act in such a way that the spirit, purport and objects of section 50 are promoted;
   (d) act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality is not compromised; and
   (e) act impartially and treat all people, including other staff members equally without favour or prejudice.

Commitment to serving the public interest

3. A staff member of a municipality is a public servant in a developmental local system and must accordingly—
   (a) implement the provisions of section 50(2);
   (b) foster a culture of commitment to serving the public and a collective sense of responsibility for performance in terms of standards and targets;
   (c) promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution;
   (d) obtain copies of or information about the municipality’s integrated development plan, and as far as possible within the ambit of the staff member’s job description, seek to

   implement the objectives set out in the integrated development plan, and achieve the performance targets set for each performance indicator;
   (e) participate in the overall performance management system for the municipality, as well as the staff member’s individual performance appraisal and reward system, if such exists, in order to maximise the ability of the municipality as a whole to achieve its objectives and improve the quality of life of its residents.

Personal gain

4. (1) A staff- member of a municipality may not—
   (a) use the position or privileges of a staff member. or confidential information obtained as a staff member. for private gain or to improperly benefit

another person: or

(b) take a decision on behalf of the municipality concerning a matter in which that staff member, or that staff member's spouse. partner or business associate, has a direct *or* indirect personal or private business interest.

(2) Except with the prior consent of the Council of a municipality a staff member of the municipality may not—

(a) be a party to a contract for—

(i) the provision of goods or services to the municipality; or

(ii) the performance of any work for the municipality otherwise than as a staff member;

(b) obtain a financial interest in any business of the municipality; or

(c) be engaged in any business, trade or profession other than the work of the municipality.

Disclosure of benefits

5. (1) A staff member of a municipality who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose in writing full particulars of the benefit to the Council.

(2) This item does not apply to a benefit which a staff member, or a spouse, partner, business associate or close family member, has or acquires in common with all other residents of the municipality.

Unauthorised disclosure of information

6. (1) A staff member of a municipality may not without permission disclose any privileged or confidential information obtained as a staff member of' the municipality to an unauthorized person.

(2) For the purpose of this item "privileged or confidential information" includes any information—

(a) determined by the municipal Council or any structure or functionary of the municipality to be privileged or confidential;

(b) discussed in closed session by the Council or a committee of the Council;

(c) disclosure of which would violate a person's right to privacy; or

(d) declared to be privileged, confidential or secret in terms of any law.

(3) This item does not derogate from a person's right of access to information in terms of

national legislation.

Undue influence

7. A staff member of a municipality may not-

(a) unduly influence or attempt to influence the Council of the municipality, or a structure or functionary of the Council, or a Council or, with a view to obtaining any appointment, promotion, privilege, advantage or benefit, or for a family member, friend or associate;

(b) mislead or attempt to mislead the Council, or a structure or functionary of the Council, in its consideration of any matter: or

(c) be involved in a business venture with a Councillor without the prior written consent of the Council of the municipality.

Rewards, gifts and favours

8. (1) A staff member of a municipality may not request, solicit or accept any reward, gift or favour for-

(a) persuading the Council of the municipality, or any structure or functionary of the Council, with regard to the exercise of' any power or the performance of any duty;

(b) making a representation to the Council, or any structure or functionary of the Council;

(c) disclosing any privileged or confidential information: or

(d) doing or not doing anything within that staff member's powers or duties.

(2) A staff member must without delay report to a superior official or to the speaker of Council any offer which, if accepted by the staff member, would constitute a breach of sub item (1).

Council property

9. A staff member of a municipality may not use, take, acquire, or benefit from any property or asset owned, controlled or managed by the municipality to which that staff member has no right.

Payment of arrears

10. A staff member of a municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months, and a municipality may deduct any outstanding amounts from a staff member's salary after this period.

Participation in elections

11. A staff member of a municipality may not participate in m election of the Council of the municipality, other than in an official capacity or pursuant to any constitutional right.

Sexual harassment

12. A staff member of a municipality may not embark on tiny action amounting to sexual harassment.

Reporting duty of staff members

13. Whenever a staff member of a municipality has reasonable grounds for believing that there has been a breach of this Code, the staff member must without delay report the matter to a superior officer or to the speaker of the Council.

Breaches of Code

14. Breaches of this Code must be dealt with in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of this Act.